

UNAPPROVED
MINUTES OF THE SPECIAL JOINT CITY COUNCIL,
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA),
AND COMMUNITY IMPROVEMENT COMMISSION (CIC) MEETING
TUESDAY- -JANUARY 25, 2011- -6:00 P.M.

Mayor/Chair Gilmore convened the meeting at 6:05 p.m.

Roll Call – Present: Councilmembers/Board Members/Commissioners Bonta, deHaan, Johnson, Tam and Mayor Gilmore – 5.

Absent: None.

The meeting was adjourned to Closed Session to consider:

(11- CC) Conference with Legal Counsel – Anticipated Litigation; Significant exposure to litigation pursuant to Gov. Code Section 54956.9(b); Number of cases: Two

(11- CC) Conference with Legal Counsel – Existing Litigation (54956.9); Name of case: United States v. City of Alameda et al, case no. C 09-05684Rs

(11- CC/11- ARRA/11- CIC) Conference with Legal Counsel – Existing Litigation (54956.9); Name of case: SCC Alameda Point, LLC v. City of Alameda et al, case no. CV 10-5178 CRB

(11- CC) Liability Claims (54956.95) - Workers' Compensation Claim; Claimant: John Cayanne; Agency Claimed Against: City of Alameda

Following the Closed Session, the meeting was reconvened and Mayor/Chair Gilmore announced regarding Anticipated Litigation, legal counsel discussed possible claims and received legal advice; no action was taken; regarding United States v. City of Alameda, the Acting City Attorney provided explanation of the status of the lawsuit and a stipulated order; Council provided direction; regarding SCC Alameda Point, LLC v. City of Alameda, the Council/Board/Commission, approved retaining separate counsel for defendant Gallant for reasons of conflict of interest; Workers' Compensation Claim, the claim was discussed with counsel and staff; Council provided direction.

Adjournment

There being no further business, Mayor/Chair Gilmore adjourned the meeting at 7:26 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.

UNAPPROVED
MINUTES OF THE SPECIAL JOINT CITY COUNCIL,
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA),
COMMUNITY IMPROVEMENT COMMISSION (CIC), AND HOUSING
AUTHORITY BOARD OF COMMISSIONERS (HABOC) MEETING
TUESDAY- -FEBRUARY 1, 2011- -6:59 P.M.

Mayor/Chair Gilmore convened the meeting at 7:47 p.m. Commissioner Allen led the Pledge of Allegiance.

ROLL CALL - Present: Commissioner Allen, Councilmembers / Board Members/Commissioners Bonta, deHaan, Tam and Mayor/Chair Gilmore – 5.

Absent: Councilmember/Board Member/Commissioner – Johnson - 1.

CONSENT CALENDAR

Mayor/Chair Gilmore announced that the Fiscal Year 2009-2010 Audited Financial Statements [paragraph no. 11- CC/11- ARRA/11- CIC] was removed from the Consent Calendar for discussion.

Councilmember/Board Member/Commissioner deHaan moved approval of the remainder of the Consent Calendar.

Councilmember/Board Member/Commissioner Tam seconded the motion, which carried by unanimous voice vote – 5. [Note: Mayor/Chair Gilmore abstained from voting on the Minutes.] [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*11-044 CC/11-004 CIC/HABOC) Minutes of the Special Joint City Council, CIC and Housing Authority Board of Commissioners Meeting Held on January 18, 2011. Approved.

Mayor/Chair Gilmore abstained from voting on the Minutes.

(*11-045 CC/11-008 ARRA/11-005 CIC) Recommendation to Accept the Quarterly Financial Report through September 30, 2010. Accepted.

(*11-046 CC/11-009 ARRA/11-006 CIC) Recommendation to Accept the Fiscal Year 2009-2010 Audited Financial Statements and Compliance Reports. Accepted.

The Controller gave a brief presentation.

Speaker: Kevin Kearney, City Auditor.

Councilmember/Board Member/Commissioner Tam inquired how the City is paying down the Other Post Employment Benefit (OPEB) liability.

The Controller responded the City is taking the “pay as you go” approach; stated Fiscal Year 2009-2010 payments totaled approximately \$2 million.

Councilmember/Board Member/Commissioner Tam stated the City has a significant [General Fund] fund balance; inquired whether the fund balance could be used to pay the OPEB liability.

The Controller responded the General Fund can be used for anything; stated the unrestricted reserve is approximately \$15 million which is approximately 20% of the budget; Council might want to consider beefing up the set aside reserves in the Internal Service Funds; the funds could be used to pay down some of the OPEB liability.

Mayor/Chair Gilmore stated the General Fund reserve balance has gone up because maintenance projects have stopped; two years ago, the General Fund balance was \$6 million; the balance has more than doubled in two years; questioned how the increase happened in the middle of the worst depression since the 1930's; stated property transfer tax and sales tax revenues have gone down; the Planning and Building Department's salary savings should have been a net neutral.

The Controller responded that he would research [the reason for the increase in the General Fund] and come back to Council.

Councilmember/Board Member/Commissioner deHaan inquired how deferred maintenance is addressed in the Comprehensive Annual Financial Report (CAFR); stated deferred maintenance totals \$79 million.

The Controller responded Governmental Accounting Standard Board 34 has changed how financials are presented; stated cities need to perform a complete infrastructure inventory; the City took an estimated cost approach to determine the useful life on various types of infrastructure and assets; page 45 has a line for enterprise activity related to ferry services, the Golf Course, and Sewer Fund; depreciation should be funded at a bare minimum in order to keep operation levels the same.

Councilmember/Board Member/Commissioner deHaan stated the Fiscal Sustainability Committee came up with a \$79 million figure [for deferred maintenance]; that he does not see the amount referenced in the report; inquired whether reporting is required.

The Controller responded depreciation can be reported in two ways: as an estimated

cost or modified approach.

Councilmember/Board Member/Commissioner deHaan stated that he does not see anything reflected in the report.

The Controller stated depreciation is reflected in the budget.

The Acting City Manager stated the CAFR has to follow specific guidelines.

Mayor/Chair Gilmore stated the Internal Service Funds have been running \$800,000 to \$1 million in the negative; questioned how the negative has been reduced to \$200,000.

Councilmember/Board Member/Commissioner Tam stated that she is looking for clues on why the General Fund doubled; the Charter requires Alameda Municipal Power (AMP) to transfer excess earnings to the General Fund; AMP did not have excess earnings in Fiscal Year 2009/2010 but still transferred \$2.8 million.

The Acting City Manager stated the Public Utilities Board (PUB) has an interest in supporting the City.

The Acting City Attorney stated the PUB has made the same transfer over the past several years.

The Controller stated an \$800,000 one-time catch up payment was made this year.

Councilmember/Board Member/Commissioner deHaan moved approval of the staff recommendation.

Vice Mayor/Board Member/Commissioner Bonta seconded the motion, which carried by unanimous voice vote – 4. [Absent: Councilmember/Board Member/Commissioner Johnson – 1.]

(*HABOC) Recommendation to Authorize the Acting Chief Executive Officer to Negotiate and Execute a Purchase and Sale Agreement for the Islander Motel Property Located at 2428 Central Avenue. Accepted.

AGENDA ITEMS

(11-047 CC) Resolution No. 14545, "Approving and Authorizing Execution of a Public Improvements Reimbursement Agreement between the City of Alameda and Community Improvement Commission for the Alameda Point Improvement Project Area." Adopted;

(11-007 CIC) Resolution No. 11-175, "Approving and Authorizing Execution of a Public

Improvements Reimbursement Agreement between the City of Alameda and Community Improvement Commission for the Alameda Point Improvement Project Area.” Adopted;

(HABOC) Resolution No. 826, “Approving and Authorizing Execution of an Affordable Housing Reimbursement Agreement Between the Housing Authority and the Community Improvement Commission for the Alameda Point Improvement Project Area.” Adopted; and

(11-007A CIC) Resolution No. 11-176, “Approving and Authorizing Execution of an Affordable Housing Reimbursement Agreement Between the Housing Authority and the Community Improvement Commission for the Alameda Point Improvement Project Area.” Adopted.

The Deputy City Manager – Development Services submitted a handout and gave a brief presentation.

Speaker: Robb Ratto, Park Street Business Association (PSBA).

Councilmember/Board Member/Commissioner Tam moved adoption of the resolutions; stated the encumbrance of tax increment dollars is critical for the City to preserve the ability to control the redevelopment of Alameda Point.

Vice Mayor/Board Member/Commissioner Bonta seconded the motion, which carried by unanimous voice vote – 5. [Absent: Councilmember/Commissioner Johnson – 1.]

(11-048 CC) Resolution No.14546, “Approving and Authorizing Execution of a Public Improvements Reimbursement Agreement between the City of Alameda and Community Improvement Commission for the Business and Waterfront Improvement Project/West End Community Improvement Project Areas.” Adopted;

(11-008 CIC) Resolution No. 11-177, “Approving and Authorizing Execution of a Public Improvements Reimbursement Agreement between the City of Alameda and Community Improvement Commission for the Business and Waterfront Improvement Project/West End Community Improvement Project Areas.” Adopted;

(HABOC) Resolution No. 827, “Approving and Authorizing Execution of an Affordable Housing Reimbursement Agreement Between the Housing Authority and the Community Improvement Commission for the Business and Waterfront Improvement Project/West End Community Improvement Project Areas.” Adopted; and

(11- A CIC) Resolution No. 11-178, “Approving and Authorizing Execution of an Affordable Housing Reimbursement Agreement Between the Housing Authority and the Community Improvement Commission for the Business and Waterfront Improvement Project/West End Community Improvement Project Areas.” Adopted.

The Deputy City Manager – Development Services gave a brief presentation.

Speaker: Robb Ratto, PSBA.

Councilmember / Board Member / Commissioner deHaan moved adoption of the resolutions.

Vice Mayor/Board Member/Commissioner Bonta seconded the motion, which carried by unanimous voice vote – 5. [Absent: Councilmember/Board Member/Commissioner Johnson – 1.]

ADJOURNMENT

There being no further business, Mayor/Chair Gilmore adjourned the meeting at 8:27 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.